



Community Development Revolving Loan Fund Access for Credit Unions

ACTION: Notice of funding opportunity.

FUNDING OPPORTUNITY TITLE: Community Development Revolving Loan Fund (CDRLF) Grants.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 44.002.

SUMMARY: The National Credit Union Administration (NCUA) is issuing this Notice of Funding Opportunity (NOFO) to announce the availability of technical assistance grants (awards) for low-income designated (LICUs) and Minority Depository Institution (MDIs) credit unions through the CDRLF. The CDRLF provides financial support in the form of loans and technical assistance grants that help credit unions support the communities in which they operate. All grant awards made under this NOFO are subject to funds availability and are at the NCUA's discretion.

TABLE OF CONTENTS

- A. Program Description**
- B. Award Information**
- C. Eligibility Information**
- D. Application and Submission Information**
- E. Application Review Information**
- F. Federal Award Administration**
- G. Federal Awarding Agency**
- H. Grant Terms and Conditions**

A. PROGRAM DESCRIPTION

The purpose of the Community Development Revolving Loan Fund (CDRLF) is to assist LICUs and MDIs in providing basic financial services to their members and to stimulate economic activities in their communities. Through the CDRLF, the NCUA provides financial support in the form of technical assistance grants to eligible credit unions to modernize, build capacity, and extend outreach into underserved communities.

The NCUA will consider requests for various funding initiatives. More detailed information about the purpose of each initiative, amount of funds available, funding priorities, permissible uses of funds, funding limits, deadlines, and other pertinent details will be defined in the Grant Round Guidelines. In addition, the NCUA may periodically publish information regarding the CDRLF in Letters to Credit Unions, press releases, and/or on the agency website, [NCUA.gov](https://www.ncua.gov).

1. Funding Initiatives

The funding initiatives available during 2023 include:

- i. Training;
- ii. Digital Services and Cybersecurity;

- iii. Consumer Financial Protection;
- iv. MDI Capacity Building;
- v. Underserved Outreach;
- vi. Impact Through Innovation; and
- vii. Small Credit Union Partnership.

2. Authority and Regulations

- i. *Authority*: 12 U.S.C. 1772c-1, 1756, 1757(5)(D), and (7)(I), 1766, 1782, 1784, 1785 and 1786; and Consolidated Appropriations Act, 2023, Public Law 117-328, Div. E, title V.
- ii. *Regulations*: The regulation governing the CDRLF is found at 12 CFR part 705. In general, this regulation governs the CDRLF, and sets forth the program requirements. Additional regulations related to the low-income designation are found at 12 CFR sections 701.34 and 741.204. For the purposes of this NOFO, an “Applicant” is a Participating Credit Union that submits a complete application to the NCUA under the CDRLF. The NCUA encourages Applicants to review the regulations, this NOFO, the Grant Round Guidelines, and other program materials for a complete understanding of the program.¹

B. AWARD INFORMATION

Approximately \$3.5 million in awards will be available through this NOFO. The NCUA reserves the right to: (i) award more or less than the amounts cited above; (ii) fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFO; and (iii) reallocate funds available under this NOFO to other programs, particularly if the NCUA finds that the number of awards made under this NOFO is fewer than projected. General information about the purpose of each funding initiative and the maximum award amount is provided below. Additional initiative information will be detailed in the 2023 Community Development Revolving Loan Fund Grant Round Application Guidelines found on the NCUA’s website.

1. Purpose of Funding Initiatives

- i. *Training*: The training initiative aims to strengthen credit union management’s leadership skills and promote succession planning. Credit unions will be able to use funds to develop a management succession plan, enroll an employee in advanced training courses to enhance leadership skills or operational knowledge of credit unions. To direct grant funds to credit unions with the greatest need for resources, credit unions with assets in excess of \$100 million are not eligible for funding under this initiative.
- ii. *Digital Services and Cybersecurity*: This initiative is intended to increase access to safe and secure digital financial products and services. Activities include cybersecurity training for board members and employees, procurement of

¹ Some provisions of NCUA’s regulation governing the CDRLF, part 705, conflict with the Consolidated Appropriations Act, 2023. The NCUA considers the Consolidated Appropriations Act, 2023 to supersede part 705.

software and hardware required for cybersecurity upgrades, contracts for external security services, business continuity, development or implementation of an incident response plan, vulnerability scans, or IT auditing and testing. To direct grant funds to credit unions with the greatest need for resources, credit unions with assets in excess of \$250 million are not eligible for funding under this initiative.

- iii. *Consumer Financial Protection*: The purpose of this initiative is to ensure credit unions have the resources and expertise to protect credit union members and consumers, raise awareness of potential frauds, and facilitate access to fair and affordable financial services. Many credit unions do not have the expertise to ensure consumer financial protection. Under this initiative, credit unions can obtain the resources, such as consultants, to train staff on consumer financial protection laws and regulations. There is no asset cap for this initiative.
- iv. *MDI Capacity Building*: The purpose of funding initiatives for MDIs is to support and help preserve these institutions in furtherance of section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. MDI credit unions are often challenged to fund training for staff and volunteers or invest in technological upgrades, growth, and expansion. The MDI Capacity Building initiative will provide larger awards to MDIs for comprehensive capacity building activities, including activities allowable under other initiatives. This initiative allows MDI credit unions to undertake the many activities required to grow and meet the unique needs of their members. Only credit unions that have self-certified as Minority Depository Institutions as of the date of their grant application are eligible for funding under this initiative.
- v. *Underserved Outreach*: The Underserved Outreach initiative will help credit unions implement innovative outreach strategies to help close the wealth gap in underserved communities and for minority, veteran, and immigrant populations through new or expanded outreach efforts, financial education programs, and financial products and services.
- vi. *Impact Through Innovation*: The NCUA's priority for the CDRLF is to support the growth of credit unions and make a positive impact on communities that are financially underserved. Providing greater support will require larger awards and longer performance periods. The Impact Through Innovation initiative will encourage credit unions to meet challenges affecting underserved communities, targeting banking deserts, affordable housing, credit invisibles, and fintechs in new ways. The initiative will be open to credit unions with assets of \$250 million or greater. The Impact Through Innovation initiative will be a multi-year award implemented as a continuation grant. Awardees will have three years to complete their projects, broken into three 12-month performance periods. Credit unions are eligible to receive awards up to \$300,000 throughout the performance period but will only receive obligations up to \$100,000 in 2023. Subsequent obligations are dependent on successful project performance and the availability of future congressional appropriations.
- vii. *Small Credit Union Partnership*: Awards will be made to a group of small credit unions, those under \$100 million in assets, to pool resources to help achieve growth objectives, including updating core processors, implementing new banking features, or similar goals. One credit union will serve as the leader of a

group of at least four small credit unions. These credit unions should demonstrate a shared need, such as a similar membership or operational need. The Small Credit Union Partnership initiative will be a multi-year award implemented as a continuation grant. Awardees will have three years to complete their projects, broken into three 12-month performance periods. Credit unions are eligible to receive awards up to \$150,000 throughout the performance period but will only receive obligations up to \$50,000 in 2023. Subsequent obligations are dependent on successful project performance and the availability of future congressional appropriations.

2. Maximum Award Amount

The maximum amount for a CDRLF award is determined by the funding initiative. There is no minimum amount for CDRLF awards. The maximum award amount for each funding initiative is provided below.

- i. Training – \$5,000
- ii. Digital Services and Cybersecurity – \$10,000
- iii. Consumer Financial Protection – \$10,000
- iv. MDI Capacity Building – \$50,000
- v. Underserved Outreach – \$50,000

The Impact through Innovation and Small Credit Union Partnership initiatives will be awarded as continuation grants. Applicants will apply for funding to cover three years of project costs, up to \$300,000 for the Impact Through Innovation initiative and \$150,000 for the Small Credit Union Partnership Initiative. If approved, the credit union will only be awarded funds to cover the first twelve-month performance period of the project, up to the following amounts:

- vi. Impact Through Innovation - \$100,000
- vii. Small Credit Union Partnership - \$50,000

Upon successful completion of the first performance period, and pending the future availability of congressional funds, the NCUA will award funds to cover costs associated with the second twelve-month performance period of the project. See the 2023 Community Development Revolving Loan Fund Pilot Grant Application Guidelines referenced above for additional details.

C. ELIGIBILITY INFORMATION

1. Eligible Applicants

This NOFO is open to credit unions that meet the eligibility requirements defined in 12 C.F.R. Part 705, except as provided in paragraph (ii) below.

- i. *Non-Federally Insured Applicants*: Each Applicant that is a non-federally insured, state-chartered credit union must submit additional application materials. These

additional materials are more fully described in 12 C.F.R. § 705.7(b)(3) and in the application.

- a. Non-federally insured, state-chartered credit unions must agree to be examined by the NCUA. The specific terms and covenants pertaining to this condition will be provided in the award agreement of the Participating Credit Union.
- ii. *Minority Depository Institution*: Credit unions not designated as low-income can participate in the CDRLF if designated as a Minority Depository Institution.

2. Employer Identification Number

Each application must include a valid and current Employer Identification Number (EIN) issued by the U.S. Internal Revenue Service (IRS). The NCUA will not consider an application that does not include a valid and current EIN. Such an application will be deemed incomplete and will be declined. Information on how to obtain an EIN may be found on the IRS's website.

3. System for Award Management

All Applicants are required by federal law to have an active registration with the federal government's System for Award Management (SAM) prior to applying for funding. SAM is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the Federal Government's trading partners in support of the contract awards, grants, and electronic payment processes. An active SAM account status and unique entity identifier (UEI) number are required to apply for a CDRLF grant. Credit unions receive a UEI upon registration in SAM. Once registered, credit unions must recertify and maintain an active status annually. There is no charge for the SAM registration and recertification process. SAM users can register or recertify their account by following the instructions for registration. The NCUA will not consider an applicant that does not have an active SAM status.

4. Other Eligibility Requirements

- i. *Financial Viability*: Applicants must meet the underwriting standards established by the NCUA, including those pertaining to financial viability, as set forth in the application and defined in 12 C.F.R. § 705.7(b) and § 705.7(c).
- ii. *Compliance with Past Agreements*: In evaluating funding requests under this NOFO, the NCUA will consider an Applicant's record of compliance with past agreements. The NCUA, in its sole discretion, will determine whether to consider an application from an Applicant with a past record of noncompliance, including any deobligation of funds (removal of unused awards).
 - a. If an Applicant is in default of a previously executed agreement with the NCUA, the NCUA will not consider an application for funding under this NOFO.
 - b. If an Applicant is a prior Participating Credit Union under the CDRLF and has unused awards as of the date of application, the NCUA may request a narrative from the Applicant that addresses the reason for its record of noncompliance. The NCUA, in its sole discretion, will determine whether the reason is sufficient to proceed with the review of the application.

D. APPLICATION AND SUBMISSION INFORMATION

1. Application

Under this NOFO, all applications must be submitted online in the NCUA's web-based application system, CyberGrants, to be considered. Applications must be submitted online at <https://www.cybergrants.com/ncua/applications>. The application and related documents are also located on the NCUA's website at <https://www.ncua.gov/services/Pages/resources-expansion/grants-loans.aspx>.

2. Minimum Application Content

A complete application will consist of similar components for each funding initiative. At a minimum, each initiative requires a narrative that describes the Applicant's proposed use of the CDRLF award. The NCUA may waive this requirement for funding initiatives with a defined list of allowable project activities. The NCUA will identify the funding initiatives that do not require a narrative response in the grant round guidelines. Other application contents that are specific to a particular funding initiative will be defined in the grant round guidelines found on the NCUA's website.

3. Submission Dates and Times

The NCUA will accept applications beginning May 1, 2023, at 9:00 a.m. eastern time (ET). Applications must be submitted by June 30, 2023, at 11:59 p.m. ET. Late applications will not be considered.

E. APPLICATION REVIEW INFORMATION

1. Eligibility and Completeness Review

The NCUA will review each application to determine whether it is complete and that the Applicant meets the eligibility requirements described in the regulations, the Grant Round Guidelines, and in this NOFO. An incomplete application or one that does not meet the eligibility requirements may be declined without further consideration.

2. Evaluation Criteria

Each funding initiative, due to its structure and impact, may have different evaluation criteria assigned. The evaluation criteria for each funding initiative are fully described in the Grant Round Guidelines.

3. Application Review

The purpose of the application review is to determine whether an application satisfies the criteria for the applicable funding initiative. The NCUA will evaluate each application for adherence to the grant round guidelines. The NCUA may contact the Applicant during its review to clarify or confirm information in the application. The Applicant must respond within the time specified by the NCUA or the NCUA, in its sole discretion, may decline the application without further consideration.

4. Scoring and Funding Decision

The NCUA uses a scoring system that establishes a ranking position for each application. The applications will be ranked according to the scoring criteria set forth for each funding

initiative in the Grant Round Guidelines.

F. FEDERAL AWARD ADMINISTRATION

1. NCUA Award Notice

The NCUA will notify each Applicant of its funding decision by email. In addition, the NCUA will announce the successful applications through a press release that includes a list of the Awardees. Applicants that are approved for funding will also receive instructions on how to proceed with the post-award activities.

2. Administrative and National Policy Requirements

- i. *Award Agreement*: The specific terms and conditions will be established in the award agreement each Participating Credit Union must sign prior to formally accepting an award. Each Participating Credit Union under this NOFO must enter into an agreement with the NCUA before the NCUA will disburse the award funds. The agreement includes the terms and conditions of funding, including but not limited to the (i) award amount, (ii) grant award details, (iii) accounting treatment, (iv) signature pages, and (v) reporting requirements.
- ii. *Failure to Sign Agreement*: The NCUA, in its sole discretion, may rescind an award if the Applicant fails to sign and return the agreement or any other requested documentation, within the time specified by the NCUA.

3. Payment Process

Awardees will be responsible for the timely completion of all post-award activities. This includes, but it is not limited to, signing the award agreement and completing a payment request for the awarded funds. The payment requirements vary by funding initiative and are detailed in the application and post-award guidelines.

The payment request may require, all or a combination of, the following items: (i) certification of expenses; (ii) project related documentation; (iii) a summary of project accomplishments and outcomes; or (iv) a certification form signed by a credit union official (such as CEO, manager, or Board Chairperson) authorized to request the payment and make the certifications. The NCUA, in its sole discretion, may modify these requirements. Additional payment request requirements will be described in the post-award guidelines.

G. FEDERAL AWARDING AGENCY

1. Methods of Contact

Further information can be found at <https://www.ncua.gov/services/Pages/resources-expansion/grants-loans.aspx>. For questions related to the CDRLF, email the NCUA's Office of Credit Union Resources and Expansion at CUREAPPS@ncua.gov.

2. Information Technology Support

People who have visual or mobility impairments that prevent them from using the NCUA's website should call (703) 518-6610 for guidance (this is not a toll-free number).

H. GRANT TERMS AND CONDITIONS

1. Every applicant must certify it meets and agrees to the following terms and conditions, prior to submitting an application:

- i. Applicant is a low-income-designated credit union, as defined in section 701.34 of the NCUA's Rules and Regulations and/or a designated Minority Depository Institution credit union.
- ii. Applicant shall comply with United States Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- iii. Applicants are required to have an audit conducted if they hold \$750,000 or more in Federal awards during a fiscal year. Applicants that hold less than \$750,000 in Federal awards are exempt from this requirement.

For example, if a credit union uses a \$250,000 loan from the NCUA's CDRLF and a \$500,000 grant from the Community Development Financial Institutions (CDFI) Fund, totaling \$750,000 in Federal awards during the same fiscal year, then the credit union must have an audit conducted.
- iv. Applicant is responsible for the efficient and effective administration of the Federal Award through application of sound management practices. Applicant assumes the responsibility for administering Federal Funds in a manner consistent with underlying agreements, program objectives, and the term and conditions of the Federal Award.
- v. No employee, contractor, consultant, or vendor has participated substantially for this grant-funded activity, nor otherwise benefited directly or indirectly from the grant, who, to its knowledge (assuming reasonable diligence), has a "covered relationship" with an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a payment of permitted expenses thereunder.
- vi. An employee, contractor, consultant, or vendor of the Applicant would have such a "covered relationship" if he or she were either: (1) a member of the household of an NCUA employee who presently holds a position that would enable him or her to influence a pending or future grant award, or a payment thereunder; or (2) a relative of such an NCUA employee with whom he or she has a close personal relationship. 5 C.F.R. 2635.502(b)(1)(ii).
- vii. Applicant must disclose in writing to the NCUA any potential conflict of interest in accordance with applicable Federal awarding agency policy.
- viii. Per 2 C.F.R 200.113, Applicant must disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award.
- ix. The Applicant conducts its activities such that no person is excluded from participation in, is denied the benefits of, or is subject to discrimination on the basis of race, color, national origin, sex (including pregnancy, sexual orientation, or gender identity), age, or disability in the distribution of services and/or benefits provided under this grant program. The credit union agrees to provide evidence of its compliance as required by the NCUA. Furthermore, credit unions should ensure compliance with Title VI of the Civil Rights Act of 1964.

- x. If a credit union enters into commitments for a project before the grant decision is made, the credit union will be obligated to pay project expenses from its own funds should the grant not be approved; if the grant is approved, the credit union may request payment for expenses incurred as of the publication date of the notice of funding opportunity associated with this funding round.
- xi. Requests to reallocate or change approved project(s) and/or request an extension to the deadline must be submitted in writing prior to the original deadline and approved by the NCUA prior to Applicant incurring expenses.
- xii. The Applicant is aware that the NCUA will correspond with the credit union regarding this application by email, utilizing the email address provided in this application.
- xiii. Applicant hereby acknowledges that the NCUA reserves full discretion to deny payment under this grant in the event the NCUA determines the Applicant is, or previously was, either in breach of any condition or limitation in the grant guidelines or in breach of the 'covered relationship' restriction set forth above.
- xiv. Information included in Outcome Summary or Success Stories is considered by the NCUA to be Research Data and is governed by 2 C.F.R. § 200.315 and may be made publicly available.
- xv. Applicant is aware that any false, fictitious, or fraudulent information or the omission of any material fact may subject Applicant to criminal, civil or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, section 1001 and Title 31, sections 3729-3730, and 3801-3812).
- xvi. Applicant is aware recipients and subrecipients are prohibited from obligating or expending loan or grant funds to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system or as critical technology as part of any system in accordance with Public Law 115-232, section 889 and 2 C.F.R. 200.216.
- xvii. Applicants receiving payment in advance must maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability.

By the National Credit Union Administration Board.

Melane Conyers-Ausbrooks

Secretary of the Board

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